

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice FC-192

1924-B, 1980-B

For: State and County Offices

Borrower Training Requirements

Approved by: Acting Deputy Administrator, Farm Loan Programs



1 Overview

A

Background

Regulations implementing the borrower training program became effective February 28, 1994. The regulation implements statutory requirements for attending training in farm production and financial management concepts, unless a waiver is granted. These requirements affect the following:

- all borrowers receiving FLP loan assistance, both direct and guaranteed loans
- recipients of primary servicing action.

B

**Statutory
Requirements**

Borrower shall comply with either of the following:

- sign FmHA 1924-23 before or at loan closing or before offering primary servicing action

Note: Borrower is allowed 2 years from the date of the agreement to complete the required training program.

- be granted a waiver.

Note: Waiver qualifications for:

- direct loan program requirements are in FmHA Instruction 1924-B
- guaranteed loan program requirements are in FmHA Instruction 1980-B.

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Disposal Date

May 1, 1999

6-12-98

Distribution

State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C

Purpose

This notice provides guidance on:

- handling requests from applicants who previously agreed to complete borrower training, as a condition of receiving assistance
 - borrower training information on ADPS and how to handle timeframe extensions on completing borrower training.
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2 Additional Assistance Eligibility

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Criteria

Applicants are **eligible** for additional assistance or benefits according to the following table.

IF...	AND...	THEN...
applicant requests assistance within the 2-year period allowed to complete the borrower training requirement		applicant must be enrolled in and attending an approved training course or be able to complete an approved training course within the 2-year period.
borrower agrees to complete training and has enrolled in approved classes or makes an honest effort to enroll	borrower was unable to actually attend training because of cancellation, postponement, or other unforeseen circumstances	borrower has met the "enrolled in and attending" rule. However, borrower is still responsible for completing the required training as soon as possible.
borrower is unable to complete the required training courses within the 2-year period because of circumstances beyond the borrower's control		Agriculture Credit Manager (ACM) may grant an extension of time based on the circumstances, usually 1 year. However, unusual circumstances may dictate an extension in excess of 1 year, such as no approved vendor, loss of approved vendor, serious illness, or other similar no-fault reasons. Agriculture Credit Director (ACD), or designee, must approve in writing extensions in excess of 1 year.
borrower requests assistance after the 2-year period has expired	ACM has not granted an extension	borrower must have successfully completed an approved training course to be eligible for assistance. When the borrower successfully completes the training, he will be eligible for assistance.

Borrowers who were required to complete borrower training and did not complete the training within the 2-year period are **ineligible** for additional assistance, except as noted in the table.

3 Borrower Training Information

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ADPS

Transactions

As of December 19, 1997, transaction codes and status screens were revised to include new fields for borrower training information. The 1F, 1G, 4A, 5M, and 1M transactions were revised with new fields and their ability to process is affected by the training code values. The 1A and 1B transactions contain no new fields; however, 1A and 1B transactions are also affected by training code values.

The training code indicates the borrower's training status. The values are as follows:

- "C" for Training Successfully Completed
- "I" for Training Completed/Intensive Supervision
- "R" for Training Not Completed/Ineligible for Benefits
- "T" for Training Required
- "W" for Waiver Granted.

The training code must be established for each borrower on ADPS. The first value entered must be "T" for training required or "W" for waiver granted. The 1A, 1B, 4A, and 1M transactions will not process if "R" is entered or if the training expiration date exceeds 2 years from the training effective date, which is the date the agreement was signed.

Do **not** enter "W" for waiver granted for an applicant or borrower who is required to take training to make the transaction process. If this has been done, complete a 5M transaction to correct the training status. The ADPS MI status screen will show borrower training information.

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3 Borrower Training Information (Continued)

B Borrower Training Extensions

Extensions of the 2-year timeframe to complete borrower training may be approved by ACM. Extensions are handled by entering a 5M transaction. The 5M transaction, at this time, will allow for a 1-year extension only.

However, if the extension granted is longer than 1 year, the Field Office must write a short memorandum, through ACD or designee, to their contact person in the Finance Office requesting that the training expiration date be manually file-adjusted.

The memorandum shall :

- identify the borrower
- explain the reason for the change
- state the number of years to extend the training expiration date.

Note: Multiple borrowers may be included in a single memorandum if the reason for the extension applies to more than 1 borrower, such as no vendor.

When the Finance Office manually file adjusts the training expiration date, only the year will change, the month and day will stay the same. After the adjustment, 1A, 1B, 4A, and 1M transactions can be processed for the borrower.

For the transaction to process without a manual adjustment, the Finance Office is working on revising the 5M transaction to allow for the training expiration date to be longer than 3 years from the training effective date established on the borrower's account. However, approval of ACD or designee, will be required for extensions over 1 year. The 5M transaction will be used to enter training timeframe extensions.

4 Action

A SED Action

SED's shall direct ACD's to:

- provide the County Offices with a current list of approved borrower training vendors including descriptions of the approved courses
 - provide Kathleen Miller, LMD, with an updated list of approved vendors.
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B Contact

Questions may be directed as follows:

- County Offices shall contact the State Office
 - State Offices shall contact LMD.
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